



*Peter E. Schmidt*  
Region Sales Manager

May 15, 1996

**AHOLD, Inc.**  
Attn.: Mr. Bill Holsworth  
1700 Rockside Road  
Maple Heights, OH 44137

*R. J. Reynolds Tobacco Co.* would like to extend the following merchandising and cigarette category agreement to **AHOLD, Inc.** with the following stipulations:

- **AHOLD, Inc.** and its divisions will implement the attached merchandising, promotional, and Private Label requirements in an agreed upon time frame.
- A 30 month contract beginning on the date the requirements are agreed to, and extending for 30 months from that date.
- All previous merchandising agreements will be superseded by this new agreement.

In consideration for accepting this agreement with the above listed stipulations, *R. J. Reynolds Tobacco Co.* will pay **AHOLD, Inc.** \$500,000 up front and \$500,000 after 6 months, assuming all requirements have been implemented. An additional payment of \$500,000 will be made after 12 months assuming all requirements are still in place.

If the stated requirements are not enacted in all divisions, *R. J. Reynolds Tobacco Co.* will deduct the appropriate dollar amount on a store by store pro-rated basis.

- If this contract is terminated by **AHOLD, Inc.** prior to the term being satisfied, **AHOLD, Inc.** will refund the pro-rated amount of the monies not earned.
- If legislation is enacted that restricts *R. J. Reynolds Tobacco Co.*'s ability to satisfy the entire term of this agreement, monthly payments could cease at that time. However, **AHOLD, Inc.** would not be obligated to refund unearned monies to *R. J. Reynolds Tobacco Co.*
- *R. J. Reynolds Tobacco Co.* can elect to terminate this agreement at any time. In such event, **AHOLD, Inc.** will be entitled to retain the up front payments that have been paid.

Should **AHOLD, Inc.** agree to the stipulations set forth in this document, please complete the information at the bottom of this page and return to my attention.

Sincerely,

\_\_\_\_\_  
P. E. Schmidt

Retailer Name: \_\_\_\_\_

*R. J. Reynolds Tobacco Co.*

Retailer Signature: \_\_\_\_\_

By \_\_\_\_\_

Date Signed: \_\_\_\_\_

51859 7403